

# Parliament '99

## Agenda

*Disliking page*  
**I. Objectives & Strategies**

**S. Rafferty**

**II. Forecast Review**

**R. Anise**

**\* III. Qualitative Results Topline**

**R. Anise**

**IV. Ad Pack Analysis**

**R. Anise**

**V. Strategic Options**

**S. Rafferty**

**VI. Recommendation and Rationale**

**S. Rafferty**

**VII. Advertising Copyline Qualitative**

**S. Rafferty**

*\* Mix is different lights - over than expectations PR2 under*

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*Denver Research  
Summation  
Advertising  
Results*

*Be prepared  
to present*

*But Hallacy -  
one page  
packaging  
research*

*Based upon  
lights packaging  
very liked + successful*

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- **Objective:**
  - Develop a “new” premium cigarette brand utilizing an existing trademark that can provide Philip Morris with a mainstream alternative choice to Marlboro
- **Strategies:**
  - Introduce new Full Flavor line extension in Region 1
  - Introduce “new” brand in Full Flavor and Lights remainder of US

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## Strategic Options

### • Option 1: Test Market of Full Flavor and Lights in July 1999

#### - Pros:

- Allows for tactical and ~~strategic~~ modifications to plan prior to national roll out

- Test viability of proposition in marketplace  
- Confirmation of PF

#### - Cons:

- Delays Test Market intro to July

- Revise all sell-in materials

- Delays national roll out to 2nd Half, 2000

- ~~Requires development of full marketing plan to support Lights brand~~

- Need for Lights advertising development and execution + promotion

- Rerun existing creative through July at earliest

- Remove uncertainty  
by proposition by  
testing viability  
in marketplace

Costs  
sell-in materials  
product costs  
- 2-3 million units in marginal contribution  
- Learning

\$10MM in marginal contribution in Year 2.  
\$95.7MM in marginal contribution  
\$45.59/1,000

Rational:

- Limited opportunity for add'l incremental learning

- 1.3 to 1.7 share estimates - close in assumption

- qualitative, quantitative research.

55 share  
less 2.1 billion units

Value information

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## Strategic Options

### • Option 2: National Introduction of Lights only

#### - Pros:

- Purchase interest significantly higher on Lights
- Consistent with brand heritage
- Largest volume opportunity with Lights

#### - Cons:

- Change in direction delays introduction to July at earliest
  - All materials currently in production for May launch
  - Sell-in materials and promotions
- Need "new" news in marketplace for national reintroduction
- Full Flavor packings and positioning provides legitimacy as a big brand
- Would require relook at creative and brand positioning to determine relevance to Lights YAS only brand
- New advertising or current Lights advertising
- Elimination of Full Flavor only reduces budget by \$10.0MM or 7%
- Loss of approximately 400MM units and \$18MM in marginal contribution in 1999

### Rationale:

\* Ad Pack forecast yields more business than recent intro in Chicago & IL only

Optimal:

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## Strategic Options

- **Option 3: National Introduction of Lights only in July 1999 in FTB**  
**Full Flavor introduction in 1st Qtr, 2000 in Octagonal packaging**
  - **Pros:**
    - Phased introduction provides "new" news from Parliament in Year 1999 and 2000
    - Octagonal packaging may provide added appeal and trial
      - Quantitative packaging structure results among competitive Full Flavor smokers:
        - 61% prefer Octagonal to FTB
        - Significant improvement on top rated personality attributes
          - Octagonal: Eye-catching, unique, stylish, attractive, innovative, cool/hip
          - FTB: Traditional, average/everyday, ordinary looking, old-fashioned
  - **Cons:**
    - Change in direction delays national Lights introduction to July at earliest
      - All materials currently in production for May launch
      - Sell-in materials and promotions
    - Need "new" news in marketplace for national reintroduction
    - Would require reassessment of creative and brand positioning to be relevant to Lights YAS
      - New advertising or current Lights advertising

*for FSF and Consumer Trade*

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## Recommendation & Rationale

### • Option 4: No Change in Strategy

Full Flavor and Lights national introduction in May 1999

#### - Pros:

- Lights purchase interest <sup>exceeds</sup> consistent with forecast and expectations
- Full Flavor needed more from positioning standpoint than volume
  - Provides big brand legitimacy among key YAS brands with flavor heritage
  - Full family of offerings

#### - Cons:

- Full Flavor purchase interest lower than anticipated

*Delivers on forecast*  
*incremental*  
- 7% share  
- volume  
- Marginal Contribution  
- Provides marketplace views for consumer

*- Provides 7% needed of YAS alternative*

*- Full Flavor Share in R1 not rest of country*

*popularity*

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## Advertising Copyline Qualitative Research Results

- **Research structure:**
  - Tested over 20 alternate lines
    - Findings for top four alternates summarized
  - 12 groups held in NY, Miami and Atlanta (4 per market)
  - Camel, Winston, Newport and Marlboro smokers
  - LA-29 years of age
- **Research Results**
  - "New Full Flavor Parliament Out of the Clear Blue"
    - Recommendation as best alternative to original line
    - Retains communication message of previous line
      - Newness of Full Flavor
      - Unexpectedness from Parliament or any Lights brand
      - Ties to colors of advertising and packaging
      - Reinforces flavor and taste
      - Recall of line high since phrase used in everyday language
  - Links packaging, advertising and brand "news"
  - Some consumers mentioned that the phrase looked like too many words
    - New layout improves communication of line

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## Advertising Copyline Qualitative Research Results

- **Research Results**

- **"Distinctly Smooth, Distinctly Blue"**

- Not recommended as alternative, although received some positive feedback
  - Consumers appreciated the simplicity of the line
  - Speaks to product differentiation and brand differentiation
  - Distinctly communicates brand uniqueness and slightly upscale image/positioning
- Preferred as tagline to reinforce product benefit
- Not as memorable
- Does not communicate "news" and unexpectedness

- **"Let the Night Begin"**

- Not recommended as alternative line although received positive feedback
  - Good reflection of brand positioning and campaign
  - Relevant and appealing to YAS -- nighttime and "magic hour"

✓ Not proprietary or ownable -- reminiscent of beer line

- Does not enhance/dimensionalize brand positioning

*one dimension*

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## Advertising Copyline Qualitative Research Results

- Research Results

- "Out of the Old. Into the Blue"
  - Not recommended as alternative, although received some positive feedback
    - Considered very catchy and memorable
    - Encourages switching from old brand to new Parliament
  - Potential negative impression of current Parliament Lights in Region 1
    - Is their "old brand" their current brand or current Parliament Lights
  - Does not communicate "news" and unexpectedness

- Not sustainable — on ongoing bases where  
~~good~~ ~~who~~ ~~line~~ ~~go...~~  
good who line

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## Previous Advertising Copyline Research

- **Full Flavor versus Great Taste**
  - **Previous qualitative research results**
    - **Both lines performed well**
    - **Advantages for Full Flavor**
      - **Communicates the introduction / “news” along with excellent taste**
      - **More distinctive / better descriptor than Great Taste**
        - **Great Taste commonly used by many categories/brands**
  - **Recommendation**
    - **Introduce with Full Flavor**
      - **Opportunity to modify line to “Great Taste” in Year 2000**

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